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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 23, 2002

APPLICATION OF

MCGRAW COMMUNICATIONS OF VIRGINIA, INC.

CASE NO. PUC-2002-00103

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 23, 2002, McGraw Communications of Virginia, Inc. ("McGraw" or the "Company"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated June 13, 2002, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On September 12, 2002, the Company filed

proof of publication and proof of service as required by the June 13, 2002, Order.

On October 4, 2002, the Staff filed its Report finding that McGraw's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service and the Rules Governing the Certification of Interexchange Carriers. Based upon its review of McGraw's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) should McGraw collect customer deposits, it shall, prior to collecting such deposits, establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association, savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement at its inception and any subsequent change to the arrangement. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements of its parent, McGraw Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of McGraw's initial tariff in Virginia.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

- (1) McGraw Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity,

 No. TT-183A, to provide interexchange telecommunications services subject to the restrictions set forth in the

 Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) McGraw Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity,

 No. T-593, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

- (4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.
- (5) Should McGraw collect customer deposits, it shall, prior to collecting such deposits, establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association, savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement at its inception and any subsequent change to the arrangement. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.
- (6) The Company shall provide audited financial statements for its parent, McGraw Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of McGraw's initial tariff in Virginia.
- (7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.